

To: Interested Parties
From: Tricia Brooks, Georgetown Center for Children and Families
Re: Alaskan Options for Expanding Coverage for Pregnant Women
Date: November 4, 2010

During a recent trip to Alaska to participate in the Kids First Alaska meeting on October 19, 2010 at the invitation of the All Alaska Pediatric Partnership and the Mat Su Health Care Foundation, I was asked to provide clarifying information on opportunities to expand federally supported medical coverage to pregnant women in Alaska. This memo outlines current coverage in Alaska and provides an overview of federal options and requirements for expanding coverage.

Current Coverage for Pregnant Women and Children in Alaska

Currently, Alaska provides traditional Medicaid coverage to pregnant women with income up to 175% of the Federal Poverty Level (FPL) who are citizens or immigrants lawfully residing in the U.S. for at least five years. Additionally, the state provides, as federally required, emergency medical coverage for labor and delivery services to any uninsured pregnant woman who meets the Medicaid guidelines, regardless of citizenship or immigration status.

While the purpose of this memo is to identify options for expanding coverage to pregnant women, certain options are related to coverage for children. Alaska uses its Medicaid program for covering both children and pregnant women. Currently, the State provides Medicaid coverage for children up to 150% FPL and coverage between 150% and 175% FPL for children through a Medicaid expansion funded through the Children's Health Insurance Program (CHIP) called Denali Kid Care. The CHIP-funded Medicaid expansion for children qualifies for a higher financial participation rate. In Alaska the federal participation rate for Medicaid is 50%¹ and for CHIP is 65%.

Options for Expanding Coverage for Pregnant Women with Federal Financial Participation

- *Expand Medicaid Coverage*

Federal Requirements and Options - States with Medicaid programs are required to cover pregnant women who are citizens with income up to 133% of the federal poverty level (FPL). States may expand income eligibility through Medicaid to pregnant women who are citizens and, at the state option, lawfully-residing immigrants up to an income level approved by the federal government. States are

also required to cover labor and delivery cost of all uninsured women under emergency Medicaid services if they otherwise meet Medicaid income and asset requirements.

Alaska Options – Alaska may expand Medicaid coverage for pregnant women with incomes higher than the current limit of 175% FPL. Under this option, the state may also elect to provide coverage for lawfully residing immigrant pregnant women. An expansion of eligibility requires a Medicaid State Plan Amendment (SPA). Federal financial participation under this option is 50%.

- *Expand CHIP Coverage to Pregnant Women*

Federal Requirements and Options – The 2009 federal reauthorization of the CHIP program (CHIPRA) expanded options for states to cover pregnant women. Under CHIPRA, states may provide coverage to pregnant women who are citizens and, at the state option, lawfully residing immigrant pregnant women, through CHIP up to 300% FPL, if certain conditions are met. Among those conditions, the state must cover children under Medicaid/CHIP up to at least 200% FPL and cover pregnant women through Medicaid up to 185% FPL. Pregnant women cannot be covered at a higher income level than children.

Alaska Options – To expand coverage to pregnant women under CHIPRA, the state would first have to expand Denali Kid Care coverage to children from the current income level of 175% FPL up to at least 200% FPL or higher, depending on the proposed income limit for pregnant women. Additionally, the state would have to expand Medicaid coverage to pregnant women between 175% and 185% FPL. With those coverage levels, the state may expand coverage for pregnant women above 185% FPL drawing down the higher 65% CHIP federal match.

This option would require a Medicaid SPA to raise the income eligibility level for pregnant women to 185% FPL. Additionally, Alaska must submit a CHIP SPA to expand income eligibility for children up to 200% FPL (or higher depending on the proposed income limit for pregnant women) and to provide CHIP coverage to pregnant women above 185% FPL.

The SPA establishes what is technically a separate CHIP program for low-income pregnant women rather than a CHIP-funded Medicaid expansion program as is Denali Kid Care. However, it can be operated as a “Medicaid look-alike” program using the existing Medicaid administrative structure and health care delivery system. The expansion to pregnant women between 175% and 185% FPL would qualify for the 50% federal Medicaid match, while expanded coverage for children above 175% FPL and for pregnant women above 185% would qualify for the higher federal CHIP match of 65%.

- *Expand Coverage Under the CHIP Unborn Child Option*

Federal Requirements and Options - States may provide prenatal care, labor, and delivery services to pregnant women through the unborn child option in CHIP. Sixty days of postpartum care can also be funded if services are provided under a global capitation arrangement, which bundles payment for all prenatal, labor, delivery, and postpartum care. Through this option, coverage is provided without regard to the pregnant woman's immigration status. While it is the unborn child who is eligible, services are directed to the pregnant woman to ensure the delivery of a healthy newborn, including medical and dental services for the mother deemed necessary to promote the health of the unborn child.

Alaska Options - The state may expand coverage under the CHIP unborn child option for the unborn child of pregnant women who do not otherwise qualify for Medicaid, as well as pregnant women above the current income limit of 175% FPL. Like the previous option, this would require a CHIP State Plan Amendment to create a separate CHIP program to establish coverage for the unborn child.

Currently eligible children, ages 0 - 18 would continue to be covered under Denali Kid Care while the pregnant women receiving services based on the eligibility of their unborn child would be covered under the separate CHIP program. In this case, Alaska may also wish to design its CHIP unborn child coverage as a "Medicaid look-alike" program as described above. Services provided to pregnant women under the unborn child option qualify for a 65% federal financial participation in Alaska.

Summary

Several options exist for Alaska to expand coverage to pregnant women directly through Medicaid and/or CHIP. Financial participation depends on the option(s) chosen. This [overview](#) of provisions in CHIPRA to cover pregnant women may be helpful. Stakeholders may wish to review additional information provided to states by the Centers for Medicaid and Medicare (CMS) in these relevant State Health Official (SHO) letters of guidance and Q & A memos:

[State Health Official Letter on the Unborn Child Option](#)

[State Health Official Letter on Lawfully Residing Children and Pregnant Women](#)

[State Health Official Letter on Covering Pregnant Women through CHIP](#)

[State Health Official Letter on Frequently Asked Questions about Covering Pregnant Women](#)

¹ The 50% federal participation is the traditional matching rate for Alaska. During the period July 2008 through June 2011, the American Recovery and Reinvestment Act (ARRA) provides a higher match to help states deal with the increased need for services during the economic downturn.